

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: July 11, 2007
POSITION: Oppose
SPONSOR: Lung Cancer Alliance

BILL NUMBER: SB 458
AUTHOR: T. Torlakson

BILL SUMMARY: Lung Cancer: Early Detection and Treatment

This bill would request the University of California (UC) to establish and administer the Lung Cancer Early Detection and Treatment Research Program beginning July 1, 2008, to the extent that funding is made available. This comprehensive grant program is intended to be administered within the Tobacco-Related Disease Research Program (TRDRP), a competitively-awarded grant program that UC administers to support research efforts related to tobacco-related diseases. While this bill would not provide funding to establish the new program, it would create the Lung Cancer Early Detection and Treatment Research Fund within the state Treasury, which would consist of appropriations from the Legislature and private donations. The bill would state legislative intent that funding be provided in the Budget Act or other measure, and to allow UC to use up to five percent of this funding to administer the program.

FISCAL SUMMARY

UC has estimated that the minimum appropriation necessary to establish and administer the program would be \$10 million to \$30 million, depending on whether the program is created as an ongoing program or through a one-time appropriation, based upon the broad scope of the proposed program.

UC was appropriated \$16,553,000 in the Budget Act of 2007 for the TRDRP, which is funded through an annual tobacco tax deposited into the Cigarette and Tobacco Products Surtax Fund. Proposition 99, the Tobacco Health Protection Act of 1988, set aside five percent of this annual tax revenue to be deposited into a Research Account to be used by UC to administer the TRDRP. The 2007-08 Budget includes an increase of \$2 million on a one-time basis from the amount appropriated in the Budget Act of 2006, reflecting fund balances available from prior years.

COMMENTS

The Department of Finance (Finance) is opposed to the bill for the following reasons:

- Establishing this new program would result in a cost pressure in the millions of dollars to the state's General Fund, which is inadvisable given the state's recent actions to align statewide expenditures with revenues.
- This bill is duplicative of current lung cancer early detection and treatment research efforts under the TRDRP. According to the TRDRP Internet website, the TRDRP has awarded \$379 million in grants from 1990 to 2006, and it lists state-of-the-art methods for early detection and screening of lung cancer as one of its primary research areas. The website notes that proposals in these primary areas have a distinct advantage in the funding process to be awarded research grants.
- Lung cancer research, and in particular research on the early detection of lung cancer, is also funded through other public and private health organizations. The National Cancer Institute (NCI) reports that it expects to spend \$262 million in research funding for lung cancer in 2007. Information contained on the NCI Internet website lists the early detection and treatment of cancer as one of its main research priorities, and it currently funds 183 active research projects specifically addressing the early detection, diagnosis, and prognosis of lung cancer.

Analyst/Principal (0384) S. Swan	Date	Program Budget Manager Jeannie Oropeza	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS	Form DF-43 (Rev 03/95 Buff)
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BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)**Form DF-43****AUTHOR****AMENDMENT DATE****BILL NUMBER**

T. Torlakson

July 11, 2007

SB 458

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							
	LA	(Dollars in Thousands)							
	CO	PROP							Fund
	RV	98	FC	2007-2008	FC	2008-2009	FC	2009-2010	Code
6440/UC	SO	No	-----	See Fiscal Summary				-----	0001